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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/940,062	08/27/2001	Michael R. Loeb	52846.5001-02	3967

28977 7590 06/23/2004

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EXAMINER

KALINOWSKI, ALEXANDER G

ART UNIT PAPER NUMBER

3626

DATE MAILED: 06/23/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/940,062

Applicant(s)

LOEB ET AL.

Examiner

Alexander Kalinowski

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 11 February 2002.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-73 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-73 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date 2/11/2002.
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_.

### DETAILED ACTION

1. Claims 1-73 are presented for examination.

#### ***Claim Rejections - 35 USC § 101***

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 17-19, 25-28, 34-37, 41-43, 49-53, 57-59, 63-65, and 70-73 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, the instant claims fail to recite the use of any type of technology (e.g. computer system) within the recited steps of the claimed method of managing subscriptions to items. The recited steps constitute an idea on how to create and manage subscriptions to items.

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Mere intended or nominal use of a component, albeit within the technological arts, does not confer statutory subject matter to an otherwise abstract idea if the component does not apply, involve, use, or advance the underlying process.

Additionally, for a claimed invention to be statutory, the claimed invention must produce a useful, concrete, and tangible result. In the present case the claimed method recites steps for creating a managing subscriptions to items.

Although the claimed invention produces a useful, concrete and tangible result, since the claimed invention as a whole is not within the technological arts, as explained above, claims 17-19, 25-28, 34-37, 41-43, 49-53, 57-59, 63-65, and 70-73 are deemed to be directed to non statutory subject matter. The Examiner suggests adding language within the body of the independent claims that indicates that the claimed invention is carried out by the use of technology (i.e. computer, data processors).

***Claim Rejections - 35 USC § 103***

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 1-60, 63 and 66-73 are rejected under 35 U.S.C. 103(a) as being unpatentable over AutoRenew as described in several articles submitted by applicant in his IDS: Target Marketing, February 1991, "Magazines test "till forbid" programs; Automatic Renewals; Circulation Insider, Vol. 14, No. 2, Pg. C2 (hereafter King), and

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Direct, "Titles Turn To Credit Card Billing to Boost Renewals", February 1991, Vol. 3, No. 2, pg. 16 (hereafter Masterton) in view of Kawashima et al, US 5,168,445 (hereafter Kawashima).

A. As to claim 1, AutoRenew discloses a system for managing subscriptions to commodity items, specifically magazines subscriptions. AutoRenew has means for receiving customer orders for open-ended subscriptions, which expire only upon request of respective customers. As taught in King, "A till forbid program enables subscribers to automatically renew their magazine subscriptions via their credit cards. The subscriptions remain in effect until the subscribers notify the magazine or their credit card company that they wish to discontinue." AutoRenew also teaches sending out renewal notices to customers and receiving them back. AutoRenew differs from applicant's claim 1 in that it does not explicitly teach means for storing said received customer orders. However, examiner asserts that it would have been obvious to store these orders as record of the transaction. Storing of such records is standard accounting procedure for any transaction related to a contract for goods or services and thus would have been obvious to one of ordinary skill in the art. Additionally, AutoRenew differs in that it does not explicitly teach generating supplier orders for the renewable term subscriptions based on the orders. However, examiner asserts that this is the traditional manner in which goods are ordered. Support for this is gleaned from Kawashima. Kawashima, in an automatic ordering system teaches generating supplier orders in response to projected and actual depletion of inventory over time. Examiner asserts that this field of endeavor is similar to that of AutoRenew in that it relates to a

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computerized systems which must maintain information on products as well as suppliers and to generate orders as time and inventory demand. In view of this, it would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of AutoRenew to incorporate the features of Kawashima to have facilitated the easy and efficient generation of supplier orders in response to customer orders. Finally, AutoRenew does teach notifying publishers of renewals and transmitting payment information to the respective publishers. Masterton states, "It... transfers funds electronically, giving publishers access to subscription revenue sooner... And, to ensure privacy, the credit card processor makes subscriber credit card data available only for publishers' records and audit agency officials..." In view of this, it would have been obvious to transmit the supply orders to the respective suppliers.

B. As to claim 2, an order for a subscription to be delivered to a customer's residence would necessarily include the customer's name, address, payment information, and the name of the specific commodity item or magazine title.

C. As to claim 3, AutoRenew does not provide details as to the physical structure of his system, however, examiner asserts that it would have been obvious to use a database to store information on commodities to be sold as well as on suppliers of said commodities and to be able to correlate this data for the purpose of preparing an order. Any electronic ordering system would be expected to maintain this information. Support for this position is derived from Kawashima. In an automated ordering system in a retail shop adapted to automatically order goods, Kawashima teaches maintaining stock data and ordering data (col. 4, line 53). In view of this, it would have been

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obvious to one of ordinary skill in the art at the time of the invention to have included a database in the AutoRenew system to maintain this information. Specifying that the information is stored in separate databases does not impart any patentable distinction in the absence of any unexpected result or outcome.

D. As to claim 4, AutoRenew does not specifically disclose a data terminal, however, K does. Such terminals are well known in the computer arts and would be anticipated to be included in any computerized ordering system to facilitate the entry and review of orders.

E. As to claim 5, AutoRenew teaches means for receiving payment for the open-ended subscriptions. Specifically, credit card numbers are submitted by customers and accounts are charged. King states, "Instead of renewing for a fixed term, subscribers are asked to supply their MasterCard or Visa numbers so that their subscriptions can be automatically renewed every year. To cancel at any time the subscriber simply contacts either the publisher or the credit card company."

F. As to claim 6, AutoRenew implicitly teaches checking the billing status of subscriptions and transmitting payment to those supplier whose corresponding billing statuses indicate that payment is due. Masterton states, "...AutoRenew is a new computerized system that targets a portion of a title's renewal file. A customized mailing extolling the convenience of automatic billing will replace normal first renewal effort for the group...It also transfers funds electronically, giving publisher access to subscription revenue sooner." This clearly demonstrates that the account is monitored

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to determine when the renewal would be due and that payment is sent as necessary to the publishers.

H. As to claims 7-10, and 12, they are rejected on substantially the same basis as claims 1-6 as discussed above.

I. As to claim 11, AutoRenew teaches receiving payment for the open-ended subscriptions. Masterton teaches that using AutoRenew, customers will authorize the publisher to bill renewals against their credit cards.

J. As to claims 13, 14, and 16, they are rejected on substantially the same basis as claims 1-6 as discussed above.

K. As to claim 15, AutoRenew, as described by Elliot, teaches means for receiving cancellations of open-ended subscriptions from customers. "To cancel at any time, the subscriber simply contacts either the publisher or the credit card company."

L. As to claims 17, 20, 21, 25, and 29, they are rejected on substantially the same basis as claim 1 as discussed above.

M. As to claims 18, 27, 35 it would have been obvious to cancel from suppliers the subscriptions in response to customer cancellations of open-ended subscriptions.

N. As to claims 19, 24, 28, 32, 36, they are rejected on substantially the same basis as claim 6 as discussed above.

O. As to claims 22, 26, the subscription information would necessarily include a term, cost, and identifier, while the order information would also necessarily include an order date, cost, billing period, and billing account number. This information would



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normally be included in any transaction receipt for a open-ended or term billing contract.

This limitation adds no patentable distinction.

P. As to claim 23, it is rejected on substantially the same basis as claim 15 as discussed above.

Q. As to claims 30 and 34, they are rejected on substantially the same basis as claims 1 and 22 as discussed above.

R. As to claims 33, 37, AutoRenew does not explicitly teach means for suppression of renewal notices for a magazine subscription from a publisher to a customer. However, AutoRenew does teach that the automatic renewal will obviate the need for traditional multiple renewal mailings to a single customer. It further teaches that using AutoRenew will save publishers money in postage and paper for renewal solicitations. Realizing that additional solicitations will cost money, it would have been obvious to one of ordinary skill in the art at the time of the invention to have suppressed further renewal solicitations from being sent to subscribers, after they have already renewed, in an effort to save money for the publishers.

S. As to claims 38 and 41, AutoRenew teaches a method of offering open-ended magazine subscriptions. The AutoRenew system receives a subscription order from a customer for the purchase of at least one open-ended magazine subscription, calculates a payment, and transmitted the payment electronically. AutoRenew differs from applicant's claims in that it does not explicitly disclose creating an order record based upon the subscription order and storing the order in a database, nor does it disclose transmitting the calculated first payment to a payment clearinghouse. As to the

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first point, AutoRenew does disclose a computer system for managing the program. In view of this, it would have been obvious to have entered a record into a database recording the transaction between the customer and the publisher. This is old and well known in the business arts and in accord with well established accounting procedures. Entering such data into a computer database would be considered creating an order record as recited by applicant. As to the second difference, anytime a credit transaction occurs a call is made to a bank network to determine whether to authorize the transfer of funds from the customer's account to the biller's account. In view of this clearing of the credit transaction, it would have been obvious to one of ordinary skill in the art at the time of the invention to have transmitted the payment amount to a payment clearinghouse for authentication and clearing of the transaction.

T. As to claims 39 and 42, they are rejected on substantially the same basis as claim 4 as discussed above.

U. As to claims 40 and 43, the system of AutoRenew initiates a subscription from a magazine supplier.

V. As to claims 44 and 49, it is rejected on substantially the same basis as claim 1 as discussed above. Claim 44, adds specific language regarding a first, second, and third database for storing subscription information, order information, and publisher information respectively, coupled with means for selecting information from the 3 databases to create subscription orders. Examiner asserts that in the absence of any unexpected outcome or result, merely stating that the data is store in separate databases does not impart any patentable distinction.

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W. As to claims 45 and 50, the AutoRenew system transmits information to publisher to initiate magazine subscriptions.

X. As to claims 46 and 51, AutoRenew teaches transmitting payment to the publisher for magazine subscriptions. As discussed in Masterton, "It also transfers funds electronically, giving publishers access to subscription revenue sooner."

Y. As to claims 47 and 52, they are rejected on substantially the same basis as claim 6 as discussed above.

Z. As to claims 48 and 53, AutoRenew does not teach that the publisher information includes for each publisher a publisher subscription data format, and wherein the means for selecting comprises means for creating a subscription record in the respective publisher subscription data format. However, examiner takes official notice of the fact that in a computer system which must communicate with various other proprietary computer systems, that it is well known that if a universal formation doest not exist, than each individual proprietary format for each intended recipient party must be maintained by the transmitting party. Two immediate examples of this would be travel systems communicating with plurality of proprietary computer reservation systems, and health care facilities communicating with a plurality of insurance companies to verify coverage for patients.

AA. As to claims 54-60, 63, and 66-73, they merely reiterate limitations already disclosed in claims 1-53, and are rejected on substantially the same basis as these claims.

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5. Claims 61, 62, 64, and 65 rejected under 35 U.S.C. 103(a) as being unpatentable over AutoRenew as applied to claims 1-60, 63, and 66-72 above, and further in view of Pickering, US 5,483,445 (hereafter Pickering).

A. As to claims 61, 62, 64, and 65, AutoRenew does not explicitly disclose means for identifying every open-ended subscription of the customer and synchronizing the billing periods so that a single invoice is transmitted to the customer, however, the examiner asserts that it would have been obvious to do so. The benefits of combined billing for both consumers and billers is well known. Pickering teaches an example of such an arrangement where all a consumer's bills are combined into one and the billing periods are synchronized to assure prompt payment of each bill. In view of this, it would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the method of AutoRenew to incorporate the teaching of Pickering to provide more convenience for the consumer and to reduce costs associated with mailing and preparing additional statements for each open-ended subscription.

### ***Double Patenting***

6. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. See *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and, *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) may be used to overcome an actual or provisional rejection based on a nonstatutory double

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patenting ground provided the conflicting application or patent is shown to be commonly owned with this application. See 37 CFR 1.130(b).

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

7. Claims 1-73 are rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1-4 of U.S. Patent No. 6,. Although the conflicting claims are not identical, they are not patentably distinct from each other because the claims are broader than the claims in the '041 patent.

### ***Conclusion***

8. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

a. "Magazine publishers" discloses a system for automatically renewing magazine subscriptions..

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Alexander Kalinowski, whose telephone number is (703) 305-2398. The examiner can normally be reached on Monday to Thursday from 9:00 AM to 6:30 PM. In addition, the examiner can be reached on alternate Fridays.

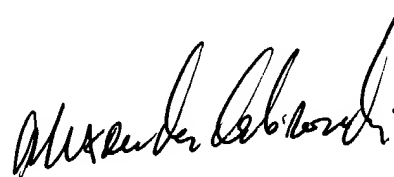
If any attempt to reached the examiner by telephone is unsuccessful, the examiner's supervisor, Joseph Thomas, can be reached on (703) 305-9588. The fax telephone number for this group is (703) 305-7687 (for official communications including After Final communications labeled "Box AF").

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Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington, VA, 7th Floor, receptionist.

A handwritten signature in black ink, appearing to read "Alexander Kalinowski". The signature is fluid and cursive, with a large, stylized initial 'A'.

Alexander Kalinowski

Primary Examiner

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6/16/2004